

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, November 16, 2021 at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Deputy City Manager Rodney Miller, Assistant City Manager Rick Beasley, Deputy City Attorney Arnita Dula, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present except for Alderman Zagaroli.
- II. Invocation by Reverend Jay Robison, Adjunct Religion Faculty Lenoir-Rhyne University
- III. Pledge of Allegiance
- IV. Special Presentations
 - A. Neighborhood College Graduation – Presentation by Communications Specialist Sarah Killian

Mayor Guess asked Communications Specialist Sarah Killian to the podium for the Neighborhood College Graduation.

Communications Specialist Sarah Killian gave a very special welcome to all of the Neighborhood College graduates and their families. She also gave special thanks to the City Professors who led the sessions over the last 10-weeks. It was her distinct privilege to recognize 14 graduates of the City of Hickory's 18th session of Neighborhood College. Their graduates come from a host of different professions and backgrounds. Some had lived in Hickory for a longtime, others had only lived here a short time, but one thing was for sure, they had learned a great deal over the last 10-weeks as they attended sessions about local government, City departments and services, and they toured various City facilities. They covered many different topics during the program, including sessions about the Council/Manager form of government, City Council and City administration, Public Utilities, Fire Department, Airport, the Police Department, Library, Parks Recreation and Sports Tourism, Office of Business Development, which included Planning and Development, Business Services, Community Development and Communications, and finally, Public Works. She could go on and on and tell everyone all the great things that they learned during these sessions, but she wanted to give everyone an opportunity to hear from some of their graduates. She invited Mr. John Jonkhoff and Ms. Vanessa Linebarger to the podium.

Mr. John Jonkhoff advised he was short timer in the City. He and his wife had been in Hickory for one and half years. They were retired, but they knew they wanted to become active and engaged in the community. When he saw this program offered, in the Hickory Daily Record (HDR), he thought he needed to do this. He was happy to have visited all the different departments. He thought all the Department Heads and staff were very enthused and well prepared. He never got the feeling that they were just going through some motions. He appreciated the effort that they put in. They did a lot of work in preparing for them to come and spend two-hours with them. He knew a lot more now than he did and he appreciated the whole City for doing this. He thought his favorite was the Fire Department and the Police Department, they were both really good. The Fire Department where they cut a car into pieces. The Police Department had the K-9 unit go through the building, which was pretty cool. The Hickory Airport was most interesting. He thought it was a great presentation and he learned a lot about the Airport and the history. He was so glad to be a citizen here. They had met so many nice people and friends in just a short amount of time. They knew they came to the right city. He thanked Council.

Mayor Guess thanked Mr. Jonkhoff.

Ms. Vanessa Linebarger commented she was so bashful her husband was going to speak.

Mr. Grover Linebarger spoke. He commented those who knew Vanessa Linebarger know that what she just said was not true. He had been in Hickory for a number of years. He knew Hickory, but this gave him an opportunity to learn Hickory, to learn about Hickory, to understand what Hickory truly was. He thought each participant had the opportunity to find out they don't know all that they think they know. It was a great work that goes into putting this City together. The Police Department, the Fire Department, the Public Service, it was amazing. It was a maze of great people doing great work. He did not know what the favorite part was for him. He thought all of it was. It brought clarity to the whole process and the procedure of city, of community. Just seeing how things kind of piece together like a puzzle. Hickory was "Well Crafted", and it has a lot of great craft

people working in these services. He was truly amazed and honored to be a part of this City, this town, this beautiful little place that if you don't know, if you want to learn Hickory, participate in the Neighborhood College. He thanked everyone. It was great. It was absolutely great.

Mayor Guess thanked Mr. Linebarger.

Communications Specialist Sarah Killian invited Mayor Guess to the podium to present diplomas to the 2021 Graduates: Casey Bridges, Logan Byers, Todder Clark, Brittany Curtis, Mary Foster, Lara Holbrook, John Jonkhoff, Grover Linebarger, Malcolm Linebarger, Vanessa Linebarger, Chayrine Llanes-Hernandez, Beth Meadlock, Johnny Scott, and Shalee Sparks. A round of applause was given to the graduates and a group photo was taken. She appreciated their time and commitment to learning more about the City and they were thrilled to have them participate in the Neighborhood College Program.

Mayor Guess could not tell them how thrilled they were to have all these newly graduated folks with them tonight from Neighborhood College. On the City Council, they get to see what they saw every day, not just from their staff but from their citizens as well. They appreciated what each and every one of them do for the City each and every day and how they participate and now they were hoping that they would continue to participate. They always have openings on their Boards and Commissions, and they find that a lot of the folks that end up on their Boards and Commissions have graduated from their Neighborhood College. He asked them to take a look at some of the openings on the Boards and Commissions, and maybe continue in their volunteer service to this great City. They appreciated each and every one of them taking their time to learn more about the City. It was always exciting for Council to hear from them what they already knew about what a great City they live in, and what a great staff they have here. He thanked them.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

A. Regular Meeting of November 2, 2021.

Alderman Patton moved, seconded by Alderman Williams that the Minutes of November 2, 2021, be approved. The motion carried unanimously.

VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderman Patton moved, seconded by Alderman Seaver that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

- A. Budget Revision Number 8. (First Reading Vote: Ayes: Alderman Wood, Alderman Williams, Alderman Seaver, Alderman Zagaroli, Alderman Patton, and Mayor Guess. Nay: Alderman Williams. The motion passed 6-1.)
- B. Proposed Amendments to Chapter 21, Section 21-10, Including Provisions Creating a Social District, to the Hickory City Code of Ordinances. (First Reading Vote: Unanimous)

VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderman Patton moved, seconded by Alderman Williams approval of the Consent Agenda. The motion carried unanimously.

A. Approved Awarding Retiring MPO Beatrice Behan with her Service Weapon upon her Retirement on November 30, 2021.

Hickory Police Department requests City Council award retiring MPO Beatrice Behan her service weapon (Glock Model 17 - Serial # UHF160 and badge upon her retirement November 30, 2021. MPO Beatrice Behan will retire from the City of Hickory Police Department November 30, 2021, after completing approximately 22 years of qualifying service to the citizens of Hickory. By authority of North Carolina General Statutes, City Council may award the service weapon and police badge to MPO Beatrice Behan upon her retirement from Hickory Police Department. Upon approval from City Council, the police badge and service weapon will be declared surplus and removed from the City's fixed asset inventory. Staff recommends approval of awarding the service weapon and police badge to MPO Beatrice Behan upon her retirement from Hickory Police Department.

- B. Approved Awarding Retiring MPO David Freeman with his Service Weapon upon his Retirement on November 30, 2021.

Hickory Police Department requests City Council award retiring MPO David Freeman his service weapon (Glock Model 17 - Serial # UHF230 and badge upon his retirement November 30, 2021. MPO David Freeman will retire from the City of Hickory Police Department November 30, 2021, after completing approximately 15-years of qualifying service to the citizens of Hickory. By authority of NC General Statutes, City Council may award the service weapon and police badge to MPO David Freeman upon his retirement from Hickory Police Department. Upon approval from City Council, the police badge and service weapon will be declared surplus and removed from the City's fixed asset inventory. Staff recommends approval of awarding the service weapon and police badge to MPO David Freeman upon his retirement from Hickory Police Department.

- C. Called for a Public Hearing for Consideration of a Voluntary Non-Contiguous Annexation of 13.384 Acres of Property Located Between 47th Avenue Place NE and 48th Avenue Lane NE, PIN 3735-13-02-2954. (Authorized Public Hearing for December 7, 2021, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building.)

RESOLUTION NO. 21-51
RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED
UNDER G.S. 160A-31 AND/OR 160A-58.1, AS AMENDED

WHEREAS, a petition from D&J Properties North Carolina LLC requesting annexation of an area described in a petition was received on November 4, 2021, by the City Council of the City of Hickory; and

WHEREAS, G.S. 160A-31 and G.S. 160A-58.1 provide that the sufficiency of the petition shall be investigated by the Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Hickory deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

THAT, the Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

CERTIFICATE OF SUFFICIENCY

TO THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

I, Debbie D. Miller, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31 and/or G.S. 160A-58.1, as amended:

Located between 47th Avenue Place NE and 48th Avenue Lane NE, Containing approximately 13.384 Acres, more or less, PIN 3735-13-02-2954

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Hickory this 4th day of November 2021.

/s/ Debbie D. Miller, City Clerk

RESOLUTION 21-52
RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION,
PURSUANT TO G.S. 160A-31 OR G.S. 160A-58.1, AS AMENDED

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the City Council of the City of Hickory has, by Resolution, directed the clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Clerk as to the sufficiency of said petition has been made.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

Section 1: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on December 7, 2021, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 2: The area proposed for annexation is described as follows:

Located between 47th Avenue Place NE and 48th Avenue Lane NE, Containing approximately 13.384 Acres, more or less, PIN 3735-13-02-2954

Section 3: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

RESOLUTION NO. 21-53

A RESOLUTION DETERMINING THE INTENT TO ANNEX INTO THE CORPORATE LIMITS OF THE CITY OF HICKORY CERTAIN PROPERTY OWNED BY D&J PROPERTIES NORTH CAROLINA LLC AND CALLING FOR A PUBLIC HEARING ON THE SAME

WHEREAS, D&J Properties North Carolina LLC is the owner of certain real property as described herein, which property is located between 47th Avenue Place NE and 48th Avenue Lane NE, containing approximately 13.384 acres, more or less, PIN 3735-13-02-2954; and

WHEREAS, such property is currently located in the City's extra-territorial jurisdictional (ETJ); and

WHEREAS, it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex such property into the corporate limits of the City of Hickory as authorized by N.C.G.S. Section 160A-31; and

NOW, THEREFORE BE IT RESOLVED by the Hickory City Council, sitting in open session this 16th day of November 2021, at a regularly scheduled meeting of the governing body of said Council, duly called and posted in accordance with the statutes of the State of North Carolina, as follows:

Section 1: That the Hickory City Council does determine that it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex the property described hereinafter into the corporate limits of the City of Hickory.

Section 2: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on December 7, 2021, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 3: The same being that property reflected on maps entitled D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 1, Current City Boundary, subject property outlined in red; D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 2, Current Zoning, subject property outlined in red; D&J Properties North Carolina, LLC, Voluntary Non-Contiguous Annexation, Map 3, Aerial Photography, subject property outlined in red.

Section 4: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

D. Approved the Citizens' Advisory Committee Recommendation for Assistance through the City of Hickory's Housing Programs.

The following applicant was considered by the Citizens' Advisory Committee at their regular meeting on November 4, 2021; and is now being recommended for approval for assistance under the City of Hickory's 2021 Urgent Repair Program. This program provides qualified low-income citizens with assistance for emergency related repairs not to exceed \$10,000.

➤ Gladys Scott, 602 9th Avenue Drive SE, Hickory – up to \$10,000.

The Citizens' Advisory Committee recommends approval of the aforementioned request for assistance through the City of Hickory's housing assistance programs.

- E. Approved on First Reading Budget Revision Number 9.

ORDINANCE NO. 21-39
BUDGET REVISION NUMBER 9

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinances noted herein.

SECTION 1. To amend the General Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Culture & Recreation	30,595	-
General Government	6,500	-
TOTAL	37,095	-

To provide funding for the above the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	30,595	-
Miscellaneous Revenue	6,500	-
TOTAL	37,095	-

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SECTION 2. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- IX. Items Removed from Consent Agenda – None
- X. Informational Item
- XI. New Business:
 - A. Public Hearings

- 1. Approved on First Reading Proposed Amendments to Chapters and/or Chapter Sections of the Hickory Code of Ordinance based upon Requirements of Senate Bill 300 (S.L. 2021-138) – Presentation by Deputy City Attorney Arnita Dula.

On September 2, Governor Cooper signed into law Senate Bill 300 (S.L. 2021-138). Part XIII of the session law removes the presumption that all local ordinances may be enforced criminally as provided in N.C.G.S. 160A-175. It states that ordinances may be enforced criminally as provided in N.C.G.S. 14-4 “only if the city specifies such in the ordinance.” It also includes a list of statutory sections in which cities cannot adopt ordinances with criminal penalties. Those sections include the following: planning and regulation of development; stream clearing programs; regulating businesses and trades; outdoor advertising; solar collectors; cisterns and rain barrels; taxis; setback lines; curb cut regulations and ordinances regulating trees. Section 1-9 of the Hickory Code of Ordinances states that “[a] violation of the following designated provisions of the Hickory Code and the Hickory Land Development Code shall be a misdemeanor as provided by G.S. 14-4(a), unless it is an infraction as provided by G.S. 14-4(b).” The ordinance then lists the specific chapters or chapter sections to which the penalty applies. This general listing is not in compliance with the requirement in Part XIII of S.L. 2021-138. The proposed amendments will add the language from Section 1-9 to designated ordinances. Adding this language will bring those sections into compliance with S.L. 2021-138 and permit enforcement of the criminal penalty. Staff recommends Council’s approval of the addition of criminal penalty language to designated sections of the Hickory Code of Ordinances.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on November 5, 2021.

City Manager Warren Wood asked Deputy City Attorney Arnita Dula to the podium to discuss proposed amendments to chapters and/or chapter sections of the Hickory Code of Ordinance based upon requirements of Senate Bill 300 (S.L. 2021-138). He noted this was a complex issue, and Ms. Dula would unwind all of this for them.

Deputy City Attorney Arnita Dula presented a PowerPoint. She commented as City Manager Wood stated this particular ordinance amendment relates to the addition of criminal penalty language to certain ordinances. She discussed the background. Previously under the law, under the State's Statute, particularly 160A-175, the default position was that all city ordinances carried a criminal penalty, a misdemeanor. She referred to the PowerPoint and displayed the language. This was how it previously read, "unless the Council shall otherwise provide, violation is a misdemeanor". In 2018, the City went through a massive overhaul of the overall code. As part of that overhaul, the decision was made, with input of course from Department Heads and management, to decriminalize several ordinances as permitted by General Statute 160A-175b. For those ordinances that retained a criminal penalty, they did what was called a catch all provision in Chapter 1, Section 1-9 to include a list of the chapters and sections that they felt needed to retain the criminal penalty.

Deputy City Attorney Arnita Dula discussed Senate Bill 300, Session Law 2021-138. This particular Session Law amended General Statute 160A-175 and it effectively decriminalized all city ordinances on December 1, 2021. She referred to the PowerPoint and advised this was the new language. The new language was in bold print, except for the ordinances listed in subsection b1, violation of a city ordinance may be a misdemeanor, not shall be, or it is, but it may be, or an infraction as provided in General Statute 14-4 only if the city specifies such in the ordinance.

Deputy City Attorney Arnita Dula advised she had listened to a presentation given by the League on the Session Law and one of the statements that was made was some of the Legislators felt that the criminal penalty attached to some city ordinances disproportionately affected certain individuals experiencing issues such as homelessness, mental health issues, and drug addictions.

Deputy City Attorney Arnita Dula discussed what this Session Law does. It made a violation a Class 3 misdemeanor, subject to a fine, but again, that language had to be in each ordinance. The default fine was no more than \$50 unless the ordinance expressly specifies that the maximum fine was more than \$50 and the maximum fine was \$500. She referred to the PowerPoint and displayed a list of ordinances that may not have a criminal penalty.

Deputy City Attorney Arnita Dula discussed the proposed amendments to the code. She referred to the PowerPoint and displayed the language which would be added to selected ordinances. She referred to the PowerPoint and displayed Chapters and Sections of the Ordinances, with input from Department Heads and Management, as to which ordinances they felt should retain a criminal penalty or have a criminal penalty. She advised she did not include language related to the fine. If the amendment was adopted and adopted upon second reading, the maximum fine associated with a misdemeanor would be \$50 unless Council said otherwise. She referred to the PowerPoint and displayed a list of the Chapters and Sections that would have the language added to it. She pointed out a few, some of these for example the Chapter dealing with animals and foul, seizure of animals, impoundment, wild animals, vicious animals. She displayed additional lists of Chapters/Sections, Chapter 15 Housing; Chapter 16, dealing with junk and secondhand metal dealers; Chapter 17, primarily dealing with sexually oriented businesses. She displayed the next two Chapters and Sections. The list of ordinances or sections that she had just shown, the language would be added. However, even during the 2018 revision, there were still some individual ordinances that already had criminal penalty language in them. She reviewed those again, along with Department Heads and staff, to determine whether the language needed to be removed or revised. Primarily dealing with Chapter 1, Section 1-9, amending it. She put the language here related to the criminal penalty, but unless it was specifically in each ordinance, the maximum fine would be \$50. Subsection (f)(4) stated that a violation of Chapter 15, which dealt with minimum housing, and the Land Development Code, was subject only to a civil penalty, not a criminal penalty. That had been deleted in its entirety. She mentioned also that all of the City's ordinances of violation carried a civil penalty, that was almost like the default position. To have a criminal penalty they had to add that specific language. She referred to the PowerPoint and displayed Chapters and in these sections some of the language was changed. She pointed out they could see a couple of the sections, Chapter 18, and Chapter 21. She noted one that was interesting, if the train blocked the street for more than five minutes the conductor could be charged with a misdemeanor. She thought that was a holdover from a long, long, long time ago, but it was still there. She asked Council for any questions.

Mayor Guess asked if they stipulated anything for repeat offenders on the same offense.

Deputy City Attorney Arnita Dula advised that was not a part of this Session Law. In fact, there was a revision to Chapter 14-4 where a person who would be charged with a misdemeanor for violating a Statute, if there was not a repeat offense within 30-days of the first offense, that was the defense. Also, if a person could prove that they were working on, or working towards overcoming issues such as homelessness, drug addiction, and that their offense was related to that, that was a defense as well. That was a little new twist to it.

Alderman Wood commented under the new fine, the \$50, if the person does not pay the fine, if there was no compliance in that regard, was legal consequences affected by this new law or what happens after that?

Deputy City Attorney Arnita Dula replied that it would be whatever occurs if someone did not pay the penalty and of course the person could be subject to time in jail. Usually it was a very, very limited term.

Alderman Wood commented that stayed the same.

Deputy City Attorney Arnita Dula responded yes, that does not change. She mentioned those defenses because those were available to an individual.

Mayor Guess explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal.

Ms. Daria Jackson, 133 17th Street SE, asked about a person who repeats the offense. She has a homeless man in her area. He had trespassed thousands of times. He goes to jail for like a month, gets out, gets back on drugs, trespasses again. This had gone on three times that she knew for a fact. How many times and what happens? Was there a number of times where he actually stays in jail? Or do they find help for him? Or what?

Mayor Guess advised she could address Council and they would be glad to get with her at a later time to answer any specific questions that she may have, but this was the time for her to speak about anything she wanted to. They were not prepared at this time to answer the questions. They would get her questions answered. She could speak in opposition, or she could speak in favor.

Ms. Jackson thanked Council.

Mayor Guess advised somebody from staff would follow-up with her to answer her questions. He advised this was not the time to ask a question, if anyone wanted to speak in favor or in opposition, they were allowed to do that. If anyone had a specific question, they could get with somebody from Council or somebody from staff would be glad to get with them after the meeting and answer their questions. He asked if anyone else wished to speak in opposition of the amendments to the ordinances. Mayor Guess asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing and asked for a motion or discussion.

Alderman Patton moved, seconded by Alderman Seaver approval of amendments to the Hickory City Code of Ordinances. The motion carried unanimously.

ORDINANCE NO. 21-40

ORDINANCE AMENDING ENFORCEMENT OF CERTAIN SECTIONS OF THE HICKORY CODE OF ORDINANCES BY ADDING CRIMINAL PENALTIES

(Ordinance Number 21-40 on file in the City Clerk's Office) which is hereby incorporated by reference and made a part of the minutes.

2. Approved a Voluntary Contiguous Annexation of 1.948 Acres of Property Located at 2358, 2366, and 2380 Renwick Drive and an Unaddressed Adjacent Parcel, Identified as PINs 3711-12-85-8893; 3711-12-85-9903; 3711-12-86-9016; and 3711-12-85-8674 – Presentation by Planning Director Brian Frazier

Consideration of the voluntary contiguous annexation of 1.948 acres of property located at 2358, 2366 and 2380 Renwick Drive and an unaddressed adjacent parcel. These properties are identified as PINs 3711-12-85-8893, 3711-12-85-9903, 3711-12-86-9016, and 3711-12-85-8674. Preston Land Holdings, LLC has petitioned for the voluntary contiguous annexation of 1.948 acres of property located at 2358, 2366 and 2380 Renwick Drive and an unaddressed adjacent

parcel. The subject properties are currently located within Catawba County's jurisdiction and zoned R-20 Residential. The annexation is being requested to gain access to City services. The subject properties are currently vacant; however, the owners have indicated their intentions are to construct 15 single-family attached (townhome) units. The development area also includes additional property already located within Hickory City limits. Pending annexation, the owners have petitioned to have the properties rezoned to R-4 Residential. The R-4 district permits residential density at a rate of 12 units per acre for single-family attached (townhomes). The current tax value of the property is \$34,600. If annexed with its present value, the property would generate additional tax revenues of \$217. Once development is completed, tax value and revenues will increase. Upon analysis, staff has determined the petition meets the statutory requirements for voluntary contiguous annexation, and adequate public services are available. Staff finds the petition to be in conformity with applicable statutes and recommends approval of the petition.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on November 5, 2021.

City Manager Warren Wood asked Planning Director Brian Frazier to the podium to present Council with the voluntary contiguous annexation of 1.948 acres of property located at 2358, 2366, and 2380 Renwick Drive and an unaddressed adjacent parcel with the stated parcel identification numbers.

Planning Director Brian Frazier presented a PowerPoint. He advised the applicant was Mr. Eric Yeargain, representing Preston Land Holdings, LLC. It was a voluntary annexation just under two acres. The property was in Ward 3 and was currently vacant. The future development would be residential townhomes and annexation was being requested to obtain City services. He referred to the PowerPoint and pointed out the properties that City Manager Warren Wood just noted, the addresses along Renwick Drive. He pointed out the area requested for annexation, the Hickory ETJ (extra-territorial jurisdiction), City proper, and the area that was currently Catawba County zoning. He referred to the PowerPoint and displayed a map of the current zoning. He pointed out the annexation properties, Catawba Valley Boulevard to the north, Startown Road, Short Road, the properties in question, the Regional Commercial area, the Planned Development area, and the R-1 and R-2 zoning areas. There was really a conglomeration of zones. He referred to the PowerPoint and displayed an aerial ortho map pointing out the property in question, Short Road, Catawba Valley Boulevard and Startown. The voluntary annexation petition complied with all applicable annexation statutes on the part of North Carolina. There were adequate public services in sufficient quantities. The annexation of the property would not cause available public services to fall below standard levels. Based upon these findings, City staff recommended approval of the requested annexation. He asked for any questions.

Mayor Guess asked Council for any questions. He advised the rules he explained previously applied to the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Guess asked if there was anyone present to speak in favor of the proposal.

Mr. Eric Yeargain had signed up to speak in favor but declined to speak.

Mayor Guess asked if anyone else wished to speak in favor. No one appeared. Mayor Guess closed the public hearing and asked for a motion or discussion.

Alderman Seaver moved, seconded by Alderwoman Patton approval of the voluntary contiguous annexation. The motion carried unanimously.

ANNEXATION ORDINANCE NO. 469
VOLUNTARY ANNEXATION ORDINANCE (CONTIGUOUS)
Preston Land Holdings LLC

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HICKORY, NORTH CAROLINA, PURSUANT TO GENERAL STATUTES 160A-58.1, AS AMENDED (CONTIGUOUS)

WHEREAS, the City Council of the City of Hickory desires to annex the area described herein, under G.S. 160A-58.1, as amended; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of said annexation; and

WHEREAS, the City Clerk has certified to the sufficiency of said request, and a public hearing on the question of this annexation was held in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina, at 7:00 p.m. on the 16th day of November 2021; and

WHEREAS, the City Council of the City of Hickory further finds that the area described therein meets the standards of G.S. 160A-58.1(b), to wit:

- a. The nearest point on the proposed satellite corporate limits is not more than three miles from the corporate limits of the City of Hickory.
- b. No point on the proposed satellite corporate limits is closer to another city than to the City of Hickory.
- c. The areas described are so situated that the City will be able to provide services on the same basis within the proposed satellite corporate limits that it provides within the primary corporate limits.
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation.

WHEREAS, the City Council of the City of Hickory does hereby find as a fact that said petition has been signed by all the owners of real property in the area who are required by law to sign and all other requirements of G.S. 160A-58.1 as amended, have been complied with; and

WHEREAS, the City Council further finds that the annexation is otherwise valid, and that the public health, safety, and welfare of the City of Hickory and of the areas proposed for annexation will be best served by annexing the area herein described.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

Section 1. By virtue of the authority granted by G.S. 160A-58.2, as amended, the following-described contiguous territory is hereby annexed and made a part of the City of Hickory as of the 30th day of November 2021:

Contiguous Annexation
by the City of Hickory
of the Preston Land Holdings Property

That certain parcel or tract of land lying and being about 3.66 miles south southeast of the center of the City of Hickory. Bounded on the north by the unopened 60' right-of-way of Park Avenue as shown in Plat Book 9 at Page 96; on the east by the existing City of Hickory city limits as shown in Plat Book 81 at Page 91; on the south by the lands of Allen Ray Setzer as described in Deed Book 2477 at Page 214 and other lands of Preston Land Holdings LLC as described in Deed Book 3636 at Page 1439; on the west by the 60' right-of-way Renwick Drive Plat Book 9 at Page 96 (shown as Lakeview Drive on said plat) and more particularly described as follows, to wit.

Beginning at a ¾" angle iron in the existing City of Hickory city limits as shown in Plat Book 81 at Page 91 and at the eastern terminus of Park Avenue as shown in Plat Book 9 at Page 96, said iron having N.C. grid coordinates (NAD 83/2011) of N 716,141.07, E 1,318,987.66 and being located a grid bearing and horizontal distance of South 47 degrees 51 minutes 30 seconds West 6,277.15 feet from NCGS Monument "Fairgrove" having N.C. grid coordinates (NAD 83/2011) of N 720,352.82, E 1,323,642.09 and running thence as existing City of Hickory city limits the following calls: South 04 degrees 54 minutes 13 seconds West 176.38 feet to a 1" pipe; thence South 04 degrees 46 minutes 05 seconds West 100.01 feet to a ½" rebar; thence South 04 degrees 46 minutes 05 seconds West 99.94 feet to a ½" rebar; thence South 04 degrees 46 minutes 05 seconds West 286.12 feet to a ½" rebar, the northwest corner of Tract One of the lands of Allen Ray Setzer as described in Deed Book 2477 at Page 214; thence, leaving the existing City of Hickory city limits as shown in Plat Book 81 at Page 91 and as new City of Hickory city limits lines the following calls: with the west line of Setzer, South 04 degrees 49 minutes 31 seconds West 55.10 feet to a 2" pipe in Setzer's west line, the northeast corner of Tract Two of Setzer; thence, with the north line of Setzer, South 62 degrees 20 minutes 41 seconds West 4.91 feet to a 3/8" rebar in said north line of Setzer; thence, leaving the north line of Setzer and running with the northeast line of Preston Land Holdings LLC as described in

Deed Book 3636 at Page 1439, North 56 degrees 34 minutes 03 seconds West 215.25 feet to a ½" rebar on the east right-of-way line of Renwick Drive; thence, with said right-of-way line and a concave curve to the left, said curve having a delta angle of 28.54 degrees, a radius of 354.59 feet a length of 176.62 and a chord bearing and distance of North 19 degrees 04 minutes 30 seconds East 174.80 feet to a ½" rebar on said right-of-way; thence North 04 degrees 33 minutes 39 seconds East 16.76 feet to a ½" rebar on said right-of-way; thence North 04 degrees 33 minutes 39 seconds East 55.99 feet to ½" rebar on said right-of-way; thence North 04 degrees 44 minutes 22 seconds East 99.94 feet to a ½" rebar on said right-of-way; thence North 04 degrees 49 minutes 22 seconds East 100.00 feet to a 1 ½" pipe on said right-of-way; thence North 05 degrees 05 minutes 41 seconds East 149.80 feet to a ¾" angle iron on said right-of-way; thence, with a convex curve to the right, said curve having a delta angle of 18.04 degrees, a radius of 25.00 feet, a length of 39.14 feet and a chord bearing and distance of North 49 degrees 29 minutes 06 seconds East 35.27 feet to a ¾" angle iron bent on the south right-of-way line of the unopened right-of-way of Park Avenue as shown in plat Book 9 at Page 96; thence, with said right-of-way, South 85 degrees 14 minutes 02 seconds East 124.70 feet to the point of beginning. Containing 2.41 acres more or less.

This description is drawn from a plat by Miles A. Wright, P.L.S. L-5256 entitled "Contiguous Annexation by the City of Hickory known as the Preston Land Holdings Property" and dated October 21, 2021.

Section 2. Upon and after the 30th day of November 2021, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in the City of Hickory and shall be entitled to the same privileges and benefits as other parts of the City of Hickory. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10, as amended.

Section 3. The newly annexed territory described herein shall become part of Ward No. 3 of the City of Hickory.

Section 4. The Mayor of the City of Hickory shall cause to be recorded in the Office of the Register of Deeds of Catawba County, and in the Office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with duly certified copy of this Ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

3. Approved on First Reading Rezoning Petition 21-06 for Property Located at 2358, 2366, and 2380 Renwick Drive, Part of 3056 Short Road, and an Unaddressed Adjacent Parcel from Regional Commercial (C-3) and Catawba County R-20 to High Density Residential (R-4).

A petition has been submitted requesting the consideration of rezoning property located at 2358, 2366 and 2380 Renwick Dr, part of 3056 Short Road, and an unaddressed adjacent parcel from Regional Commercial (C-3) and Catawba County R-20 to High Density Residential (R-4). The properties are currently zoned C-3 by the City of Hickory and R-20 by Catawba County. The part of the rezoning area under the current City C-3 zoning is 0.419 acres in size. The C-3 district permits development at a floor area ratio of 2:1 for non- residential uses or 30 units per acre for residential uses, which could theoretically yield 35,500 ft² of non-residential floor area, or 12 residential units. The part of the rezoning area under the current county zoning is 2.4 acres in size. The R-20 district permits single and two-family residential uses at a density of two (2) dwelling units per acre, which could theoretically yield 5 dwelling units. The subject properties are currently vacant; however, the owners intend to develop the properties for the purpose of constructing single-family attached dwellings (townhomes). The requested zoning, R-4, permits residential density at a rate of 12 units per acre for single-family attached (townhomes). Given the area, 2.83 acres, the rezoning area could theoretically yield 34 dwelling units. The Hickory Regional Planning Commission conducted a public hearing on October 27, 2021, to consider the petition. During the public hearing, the agent for the development group gave an overview of the project. One neighboring resident asked questions about the petition but did not voice opposition. Upon closing the public hearing, the Hickory Regional Planning Commission acknowledged the petition's inconsistency with the Hickory by Choice 2030 Comprehensive Plan, but found the petition was reasonable and protected the public's interest and safety. Based upon these findings, the Hickory Regional Planning Commission voted unanimously (8-0) to

recommend approval of the petition. Staff concurs with the recommendation of the Hickory Regional Planning Commission.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on November 5, and November 12, 2021.

City Manager Warren Wood asked Planning Director Brian Frazier to the podium to present Council with Rezoning Petition 21-06 for property located at 2358, 2366, and 2380 Renwick Drive, part of 3056 Short Road, and an unaddressed adjacent parcel, from Regional Commercial (C-3) and Catawba County R-20 to High Density Residential (R-4).

Planning Director Brian Frazier presented a PowerPoint. He advised the properties were currently zoned C-3 by the City and R-20 through Catawba County. They were looking at being annexed into the City to obtain water, sewer, and other available services. The rezoning request was intended to provide an area for future residential uses. The property owner had requested to rezone the properties to high density residential, R-4. These properties had just been annexed by City Council previously. He referred to the PowerPoint and displayed a map. He pointed out Catawba Valley Boulevard, Startown Road, Short Road, the area located in the Hickory ETJ (extra-territorial jurisdiction), the area currently in the City limits, and the area in Catawba County. He displayed the future land map and pointed out the areas which were Regional Commercial, and Public Institutional, which was CVCC's Campus. He pointed out different forms of residential zoning already in place. He pointed out Hickory's zoning, Office Institutional, C-3, Regional Commercial, PD - Planned Development, R-2 medium density, R-1 low density residential, and the R-20 Catawba County zoning. He noted the properties to be annexed. He displayed an aerial ortho map of the properties in question. He advised the properties were currently zoned Regional Commercial by the City and R-20 residential by Catawba County. All the properties were currently vacant, undeveloped. The general area in the future land use was classified as Regional Commercial by Hickory by Choice 2030 (HBC). The plan talks about following Regional Commercial areas. This classification was basically continued to the south of US 70 to include the areas around Catawba Valley Boulevard where the subject properties were situated. The R-4 zoning district was not listed in the Hickory by Choice document as an implementing zoning district for Regional Commercial, but the R-4 request was less intense than the C-3 zoning that takes up a good section of the property. As it would exclude non-residential development and would provide a transitional area and a degree of protection of this development to the adjacent residential uses to both the west and the south. The rezoning of the properties to R-4 residential technically was inconsistent with HBC 2030. He, his staff, and the Planning Commission believed that R-4 was reasonable through Hickory by Choice, protected the public interest, provided a transitional area or zone which Hickory over the years had lacked, and they were trying to catch up on transitional areas between the intense commercial districts and the less lower intensity residential districts primarily to the south. He referred to the PowerPoint and showed examples of current permissible uses. The R-20 was County, the C-3 was City of Hickory. He pointed out duplexes two units an acre, and single-family two units an acre. The R-20, and R-2 were similar. The County allows more, you could have professional offices and retail uses. The future permissible uses included the townhomes, and single-family homes. He pointed out the various densities. Staff found the petition 21-06 to be inconsistent with Hickory by Choice 2030, but the R-4 as he explained previously was reasonable and protected the public interest and provided a transitional area between non compatible uses. The Planning Commission met on October 27, 2021, and during the hearing, Mr. Yeargain did a brief presentation about the project. There was one neighboring resident who had questions to ask of staff and the Planning Commission but did not voice any opposition at that meeting. Upon closing the public hearing, the Planning Commission acknowledged the inconsistency but at the same time found the petition was reasonable and protected the public safety and best interests. Based on those findings, the Planning Commission voted unanimously 8-0 with one member being absent to recommend approval of this petition and staff concurred with the recommendation of the Hickory Regional Planning Commission. He asked for answer any questions.

Mayor Guess asked Council for any questions.

Alderman Wood questioned the impact. He thought it looked like the vision was to go commercial in that area but making this residential would that impact Council's ability to make decisions to develop that as commercial property in the future.

Planning Director Brian Frazier advised there was enough vacant land that they were not concerned with that and with this use they found it to be compatible in that zoning district.

Mayor Guess asked for any further questions. He thanked Mr. Frazier. Mayor Guess declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Guess asked if there was anyone present to speak in favor of the proposal.

Mr. Eric Yeargain, 898 38th Avenue NE, Hickory, was interested in entertaining any questions and he thanked Mr. Frazier for the presentation. As they continue to forge forward, his presence had become more and more frequent. They were trying to solve a housing problem and as they had indicated in the past, they knew they could not do that in a one-dimensional manner, it had to be a homogeneous approach with a diversity of housing choices with the right mix of product types in various areas. They have some single-family residential development nearby. Many of them were familiar with the Preston Ridge Development that they executed on with the apartments nearby. They felt like this gap space really completed the trifecta of trying to fill that diversity of housing choices here. They were excited about 15 luxury townhomes coming to that space near some Class A office and other commercial opportunities on that 16-acre corner. They anticipate that would come out of the ground sometime this spring. He asked for any questions.

Mayor Guess asked Council if they had any questions. He asked if anyone else wished to speak. No one else appeared. He closed the public hearing and asked for a motion or discussion.

Alderwoman Patton moved, seconded by Alderwoman Williams approval of Rezoning Petition 21-06. The motion carried unanimously.

ORDINANCE NO. 21-41

AN ORDINANCE OF THE HICKORY CITY COUNCIL AMENDING THE OFFICIAL HICKORY ZONING ATLAS TO REZONE +/- 2.83 ACRES OF PROPERTY LOCATED AT 2358, 2366 AND 2380 RENWICK DRIVE, PART OF 3056 SHORT ROAD, AND AN UNADDRESSED ADJACENT PARCEL, FROM REGIONAL COMMERCIAL (C-3) AND CATAWBA COUNTY R-20 RESIDENTIAL TO HIGH DENSITY RESIDENTIAL (R-4).

WHEREAS, Article 2, Section 2.2 of the Hickory Land Development Code provides for amendments to the Official Zoning Atlas; and

WHEREAS, the City has been petitioned to rezone +/- 2.83 acres of property located at 2328, 2366 and 2380 Renwick Drive part of 3056 Short Road, and an unaddressed adjacent parcel, more particularly described on Exhibit A attached hereto, to allow a High Density Residential (R-4) district; and

WHEREAS, the Hickory Regional Planning Commission considered the proposed rezoning during a public hearing on October 27, 2021, and forwarded a recommendation of approval to the City Council; and

WHEREAS, Article 2 of the Hickory Land Development Code requires findings the proposed rezoning is in response to changing conditions and is reasonably necessary to promote the public health, safety, and general welfare; and

WHEREAS, the City Council has found Petition 21-06 to be in conformance with the Hickory by Choice 2030 Comprehensive Plan and Zoning Ordinance,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF HICKORY, NORTH CAROLINA, THAT THE REZONING OF PROPERTY LOCATED AT 2358, 2366 AND 2380 RENWICK DRIVE, PART OF 3056 SHORT ROAD, AND AN UNADDRESSED ADJACENT PARCEL, DESCRIBED IN EXHIBIT A IS APPROVED.

SECTION 1. Findings of fact.

1. The subject property is located 2328, 2366 and 2380 Renwick Drive part of 3056 Short Road, and an unaddressed adjacent parcel, and identified as PINs 3711-12-85-8893, 3711-12-85-9903, 3711-12-86-9016, part of 37-11-12-95-1884, and 3711-12-85-8674
2. The rezoning request is intended to further implement the findings and recommendations of the Hickory by Choice 2030 Comprehensive Plan.

3. The rezoning of the property is inconsistent with the Hickory by Choice 2030 Comprehensive Plan, but reasonable as the action protects the public's interest and safety.

SECTION 2. All ordinances or provisions of the Hickory City Code which are not in conformance with the provisions of the Amendment occurring herein are repealed as of the effective date of this Ordinance.

SECTION 3. Statement of Consistency and Reasonableness

Upon considering the matter, the Hickory City Council found:

1. Consistency of the proposed zoning with the Hickory Comprehensive Land Use and Transportation Plan (Hickory by Choice 2030) and the stated Purpose and Intent of this Land Development Code;

The general area is classified Regional Commercial by the Hickory by Choice 2030 Comprehensive Plan. The Hickory by Choice 2030 Comprehensive Plan states the following about Regional commercial areas: "this classification is focused on the I-40 / U.S. 70 corridor and is intended to continue the corridor's current development pattern" This classification is continued to the south of U.S. 70 to include the Catawba Valley Blvd, where the subject properties are located.

The R-4 zoning district is not listed as the implementing zoning district for the Regional Commercial classification. However, current permissible residential densities for C-3 districts (30 units per acre), and R-4 districts (20 units per acre for multi-family and 12 units per acres for single family detached and attached) are close in residential density. Additionally, the requested R-4 zoning is less intense than C-3 zoning, as it excludes non- residential development, and would provide a transitional area and a degree of protection to the adjacent residential uses to the west and south.

Given these factors, the rezoning of the properties to R-4 Residential is inconsistent with the findings and recommendations of the Hickory by Choice (2030) comprehensive Plan. Although the findings of inconsistency are clearly outlined, the rezoning of the properties to R-4 is reasonable and protects the public interest, by providing a transitional area between more intense commercial districts and less intense lower intensity residential districts.

2. The Regional Commercial classification is intended to provide locations for commercial, as well as higher density residential development.
3. The R-4 zoning district's permissible density adheres to the recommendations for areas classified as Regional Commercial by the Hickory by Choice 2030 Comprehensive Plan.
4. Any and all improvements that are to take place on the property will be required to follow all applicable development regulations.
5. Sufficient public infrastructure is currently in place to handle the type of development possible on the subject property.
6. Any future development that takes place on the subject property will be regulated by current and future development standards duly adopted by the City of Hickory and the State of North Carolina; and
7. Any future development occurring on the subject property will be required to adhere to all state and local building, fire, and flood zone related development regulations. Such regulations will ensure proper protections are provided to ensure surrounding residents, and property owners are properly protected as prescribed by law.

Based upon these findings, the Hickory City Council has found Rezoning Petition 21-06 to be reasonable, but inconsistent with the findings and recommendations of the Hickory by Choice 2030 Comprehensive Plan.

SECTION 4. This Ordinance shall become effective upon adoption.

B. Departmental Reports:

1. Quarterly Financial Report – Presented by Deputy City Manager Rodney Miller

Deputy City Manager Rodney Miller presented a PowerPoint presentation. He discussed the quarterly financial report for the first quarter. He noted there was always a break between the third quarter and the first quarter of the new fiscal year. He gave a brief update on what the fourth quarter was, which was the annual financial report that they do at the end of June 30 of every year. They had a subcommittee meeting today made up of the City's audit committee, Alderman Seaver, Alderman Wood, and Mayor Guess. The auditors came in and presented the draft financial statements to them and they plan to have them at Council's next meeting on December 7th for a full presentation to Council. He advised they were in the new fiscal year that started July 1st and went for three-months and ended on September 30th. Because of the audit and the delay, they postponed or delayed the financial report. Normally he was before Council before November. He advised for tonight he had numbers for July through September that he would like to share with them.

Deputy City Manager Rodney Miller discussed the general fund, the main operating fund for the City of Hickory. He mentioned the first three months of activity was what he was going to be presenting tonight. He referred to a PowerPoint presentation and pointed out the categories the fund was made up of, at least for the revenues. The primary revenue source was the ad valorem tax revenue. The City's budget for this year was a little over \$33.5 million dollars. He referred to the PowerPoint and pointed out the column which was what the City had actually received through September of this fiscal year. He pointed out the column that showed what the City had received through September 30th of last fiscal year. He pointed out they had a significant increase, about \$800,000 between last year and this year as far as collections. That could be a host of things. Mortgage companies, if you escrow your mortgage, some of those escrow companies will submit to Catawba County and pay taxes early, so they do not want to put too much stock into that. However, it was always a positive sign when that number was higher than the year before. He would say that on all of their revenues. Under other taxes a similar story, they had seen an increase in other taxes, primarily this was the City's sales tax revenue source. He pointed out intergovernmental which were State revenues primarily or local revenues. The City gets some revenue stream from Catawba County for example. Permits, fees, and sells and services were a hodgepodge of revenues that they received. That was up compared to the last year. However, he could not say the same thing about investment earnings. Investment earnings were kind of good and bad, it depends on which side of the coin you want to turn up. If they were borrowing money, it was a very, very good tool for them if those interest rates were low. If you had money in the bank and you want to invest that at least in the options available to the City as a local government, they were very limited. He was having a conversation earlier with Alderman Wood, and if the City was able to be in the stock market, which they were not, the stock market had done quite well, and the City could have earned a lot of return on their resources. However, their motto was the sly method, safety, liquidity, and yield, in that order. In North Carolina, they have very, very, very safe investments as a local government. In fact, the State government can invest in the stock market. However, local governments in North Carolina cannot. He advised that miscellaneous revenues also increased. He mentioned other financing sources. He advised this was the general fund and they move money to different funds, capital reserve, capital project funds. They also roll funds from last fiscal year in the form of fund balance into this year, which makes up the bulk of those dollars to pay for commitments that they had made through purchase orders or what was called encumbrances to pay for this year. That was the revenue sources. All told, the City had collected \$18.4 million dollars on a \$63 million dollar budget again, higher than last year at this time. At this point that was \$1.1 million dollars higher than their current expenditures that they had made. He noted he had excluded those encumbrances that were commitments, they had to spend \$5.9 million dollars or at least they have got commitments that they would spend those, but those are not in these numbers before Council. For the property tax revenue again, they like to see this chart increasing. He could show them a chart from 2008 to 2013, which would not be anywhere near this. They were always happy and hopeful that these property tax revenues increase. As Council knew with the bond referendum, they started in 2014, they realized, and the citizens realized, that they had to invest in themselves. Adding these quality-of-life amenities that they had done with the Hickory Trail System has helped spur that commercial and residential development. In fact, the action Council just took was more residential development that was going to come to the City of Hickory and 15 luxury townhomes would certainly increase property tax base and therefore property tax revenue. That trend they want to continue to see. They could not take too much stock, and he would not want people to say that they were growing at 12 percent, that was again through September. If that happened through January, he would be very, very pleased if they had 12 percent higher revenues. Again, budgeted revenues of \$33.5 million dollars, there was one

anomaly here in fiscal 20. He referred to the PowerPoint and pointed out the figures and advised Catawba County revalued property here. That jump of 17 percent was primarily related to revaluation at which time City Council increased the tax rate to pay for the bonds. That 17 percent was not normal growth.

Deputy City Manager Rodney Miller discussed sales tax revenue. He noted the same caution. He could tell them the last two-years they had been pleasantly surprised with Covid. They thought they knew why the increase was, they had more and more people sitting at home and ordering Amazon or UPS or ordering things off the internet. Two-years ago cities in North Carolina started receiving internet sales in their sales tax revenues, and they thought this was causing this spike. They do not know how long it was going to continue, but certainly it was welcoming news at this point. They had budgeted revenues of \$12.6 million dollars this year and they had collected about \$3.7 million dollars of that through the fiscal year.

Deputy City Manager Rodney Miller discussed building permit activity. One somewhat alarming sign was the residential numbers at least on the permit side had decreased. Certainly, they want to keep an eye on that. From what the planning staff and the Manager's office had discussed there were a lot of residential projects in the pipeline. Obviously, if these 15 townhomes get built, that was obviously 15 new permits. They were not too concerned about it. But at this time compared to last year they were down about 25 residential permits. On the commercial side they were up 20 permits compared to last year. The value he thought was the most important. He commented residential value was basically flat, but commercial value in one year had gone up over \$46 million dollars in value compared to last year and \$66 million dollars in just three months. In a good year they were at \$100 million dollars or \$120 million dollars in value, and they were already at \$77 million dollars for the first three months. That was certainly a positive sign. He referred to the PowerPoint and displayed a chart pointing out the residential activity. He explained that SFD meant single family dwelling. There were various stages of single-family development ongoing currently. As Mr. Yeargain mentioned before, they see some of the projects there, Preston Ridge was the apartment complex he was referring to, the 318 being planned and constructed there. They still expect Home2 Suites to commence. They were on pause with Covid, and they were hopeful that they would re-engage their staff soon, maybe after the first of the year. He pointed out some smaller projects sprinkled in. Council was fully aware of all of their tenants at Trivium, they were very pleased with Cataler, Gusmer, and they hope that ITM would be coming up out of the ground next year. He mentioned MDI and their expansion, obviously for about six months they held the distinction of being the largest economic development project in the City and now Corning holds that distinction.

Deputy City Manager Rodney Miller discussed the water and sewer fund. The water and sewer fund were completely funded by charges for services or, the water bills that you get each month for residents and folks outside the City of Hickory. Their budget was \$36 million dollars this year. He pointed out the numbers on the PowerPoint slide. Revenues to date \$7 million dollars, compared to approximately \$6 million dollars this time last year. This showed the expenditures by department division within the water and sewer fund. He noted they had spent about \$7.8 million dollars. Through September they were in a deficit operating position, which was normal, as he pointed out they could see from last year. There was not a whole lot of water usage in July, August and September compared to the end of the year, the April, May, June quarter really makes up for that historically. Water and sewer seemed to be running smoothly, just like last year.

Deputy City Manager Rodney Miller discussed the investment report. He mentioned the City's investments, he referred to the PowerPoint and pointed out 37 bases points. He explained that was almost 4/10 of one percent that the City was earning on their overall investments. The City had received about \$60,000 in interest income on those investments. He advised these were legal investments that are afforded to the City as a local government. He advised the City had \$38 million dollars in US Government Securities, which was really the most aggressive investment the City could invest in. But again, it was just not providing the level of income, but it was a safe investment, and the City was not going to lose anything either. He referred to the PowerPoint and discussed the leftover GO Bonds from 2019. He advised the City had a little less than \$200,000 dollars still remaining yet to be spent as they continue to build out the Hickory Trail System. The 2021 bonds that they issued in September; they still have all \$10 million dollars of those. He referred to the PowerPoint and pointed out the ARP, American Rescue Plan, that was afforded to the City from the Federal Government. They City had been authorized \$8.2 million dollars and

had received \$4.1 million dollars in June, so it had grown a little bit of interest since that time and it had to be kept in a separate fund, which the City had complied with those Federal requirements. He wanted to close the loop with the GO Bonds. They started the process back in 2014. As a reminder two bond orders in two different categories, streets and sidewalks, and economic development. It was approved in 2014. They had a plan of issuing those bonds in 2018, 2019 and 2021 and they had followed that plan accordingly. The City did not have a rating at that time. It had been since 2012. The City received a rating and assembled a team. They met with rating agencies. Members of City Council were part of that process. They visited with the Local Government Commission, and they prepared a lengthy official statement telling everything about the City that an investor may want to know. They issued the first bond in the amount of \$15 million dollars on September 19, 2018. The City achieved a rating of AA-2 from Moody's and AA+ from Standard & Poor's. They issued those bonds at a little less than 3 percent. He advised 2.9 percent. In 2019, they issued the second tranche of \$15 million dollars. He noted the City was upgraded by one of the rating agencies, Moody's to AA-1. He explained an AA rating has three steps. For Moody's it was AA-3, 2, 1 and then you go to AAA. Likewise Standard & Poor's has an AA-, AA, AA+, and then you go to AAA. He said that to say, the City was one step away from AAA, and they were in a very, very good position and were certainly hopeful if they continue the economic activity that they were on the path on, he thought they were very, very close to AAA. They were certainly going to push for that. They sold \$15 million dollars a year later, 2.1. It was 2.9 in 2018, and 2.1 in 2019. They saved about \$370,000 dollars in interest costs because of that rate, again the same term 20-years. In September the City had the third issue, the final one of \$10 million dollars, 1.4995 was what the City borrowed those \$10 million dollars in bonds for 20-years. The interest rate really helped them there and that was significant savings. They were going to pay about \$3 million dollars in interest over that 20-year period. Bidders all across the country, loved City of Hickory bonds. They had 10 bidders, which at the time was the largest subscription for bonds in the State. They had a number of 1.51 and 1.52, so it was a pretty tight bid, which told him that what the City was doing, people want some of it. The City was a very, very good credit and it was certainly hopeful and optimistic that the AAA rating was just right around the corner for the City. Those bonds were issued. He referred to the PowerPoint and noted the debt payments associated with that 15, 15, and 10. On the latest bond issue they would begin paying those back in March of next year with a principal payment starting in September and then for the next 19-years after that. He asked for any questions.

Mayor Guess asked for any questions.

Alderman Wood asked about the decrease in residential building permits. He asked if Mr. Miller had a sense of how much of that was demand deferral because of supply chain and inflationary pressures on building materials, those types of things.

Deputy City Manager Rodney Miller guessed that would just be timing. He thought Mr. Frazier and his staff could tell him that they had a lot of folks coming into the office with projects that were pending. He thought that it was just timing. If he took a three-month period, and in a three-month period one was going to be higher and one was going to be lower. He did not sense any slowdown in the residential or commercial activity. He thought they were going to be very, very pleased this year.

Mayor Guess asked for any further questions. No further questions were asked.

2. Appointments to Boards and Commissions

<u>CITIZENS ADVISORY COMMITTEE</u> (Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Small Cities Project Area	VACANT
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<u>COMMUNITY APPEARANCE COMMISSION</u> (Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Ward 4 (Alderman William Appoints) At-Large (Outside City but within HRP) (Council Appoints)	VACANT VACANT
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Alderman Williams nominated Delores Deal as Ward 4 Representative on the Community Appearance Commission.

<u>COMMUNITY RELATIONS COUNCIL</u> (Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Other Minority (Council Appoints)	VACANT
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Other Minority (Council Appoints)	VACANT
Other Minority (Council Appoints)	VACANT
Differently Abled and is African American or Other Minority (Council Appoints)	VACANT
Differently Abled (Council Appoints)	Beth Whicker
	(Not Eligible for Reappointment)

HISTORIC PRESERVATION COMMISSION

(Terms Expiring 6-30; 3-Year Terms (Appointed by City Council)

Licensed Architect (Council Appoints)	Ernie Sills
	(Not Eligible for Reappointment)
At-Large (2)(Council Appoints)	Mary Mooror
	(Eligible for Reappointment/Does Not Wish to Serve Again)

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)	VACANT
	(Beth Schauble Resigned 11-10-2021)
Ward 4 (D. Williams Appoints)	VACANT
Ward 6 (Patton Appoints)	Gail Miller
	(Eligible for Reappointment/Does Not Wish to Serve Again)

Alderman Williams nominated Allison Little as Ward 4 Representative on the Library Advisory Board.

Alderman Patton nominated Charlie Hayes as Ward 6 Representative on the Library Advisory Board.

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)	VACANT
	(Beth Schauble Resigned 11-10-2021)
Ward 4 (D. Williams Appoints)	VACANT
At-Large (Mayor Appoints)	Beth Bowman
	(Not Eligible for Reappointment)
At-Large (Mayor Appoints) (Harold Humphrey Resigned 11-4-2021)	VACANT

Alderman Seaver nominated Kristen Mahoney as Ward 3 Representative on the Public Art Commission.

YOUTH COUNCIL

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

Youth Council Applicant Review Committee Recommends the Following Appointments:

Fred T. Foard	VACANT
Homeschool	VACANT

Mayor Guess moved seconded by Alderman Seaver approval of the above nominations. The motion carried unanimously.

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature.

Mayor Guess reminded everyone of the Christmas Parade and tree lighting, on Friday, November 19, 2021. He wanted to make sure that everyone was aware of that, and that everyone was invited. He was looking forward to that. Santa Claus would be there, and they would be lighting the tree afterwards downtown on Union Square. The event started at 5:45 p.m. They were looking forward to that and he invited everyone to come out and attend.

Alderman Seaver mentioned the boys' soccer team at Hickory High won tonight and would be playing in the State Championship. The score was 1-0.

Mayor Guess commented that Lenoir-Rhyne University was advancing to the playoffs. That was all good news.

XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(3)(6) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Mayor Guess moved that Council go into closed session to consult with the attorneys to discuss the items below, seconded by Alderman Seaver. The motion carried unanimously.

1. Approval of Closed Session Minutes of September 7, 2021, and October 5, 2021 - NCGS §143-318.11(a)(1)
2. Discussion of Litigation Case Number NCGS §143-318.11(a)(3)
3. Discussion of Personnel Matter - NCGS §143-318.11(a)(6).

Council convened to closed session at approximately 8:02 p.m.

Council reconvened to open session at approximately 8:22 p.m.

No action was taken upon return to open session.

- XV. There being no further business, the meeting adjourned at 8:22 p.m.

Mayor

City Clerk